



Collective Giving  
RESEARCH GROUP

# **DYNAMICS OF HOSTING**

Giving Circles and  
Collective Giving  
Groups

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## **Written and Researched by the Collective Giving Research Group:**

### **Collective Giving Research Group**

The Collective Giving Research Group (CGRG) is a research collaborative launched in 2015 to explore and understand the dynamics of giving circles and other forms of collective giving. Founding members of the CGRG are Jessica Bearman (Bearman Consulting); Julia Carboni, PhD (Maxwell School of Citizenship and Public Affairs, Syracuse University); Angela Eikenberry, PhD (School of Public Administration, University of Nebraska at Omaha); and Jason Franklin, PhD (Dorothy A. Johnson Center for Philanthropy, Grand Valley State University).

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# HIGHLIGHTS

Giving circles and other collective giving groups have received attention for their capacity to reach a broad range of donors; their flexible and authentic appeal for donor engagement; and their democratic approach to building a culture of philanthropy. Community foundations and other funders see these characteristics as benefits to hosting giving circles. But what does the giving circle–host relationship look like, and what benefits and challenges exist for hosts?

This study provides an in-depth exploration of giving circle hosting. Findings are based on survey data from 86 organizations, two-thirds (57) of which host one or more giving circles. The study also benefits from nine interviews with diverse giving circle hosts from across the United States.

Giving circle hosts have great expectations for the benefits they accrue as hosts—and those benefits are largely realized. Challenges do exist, primarily around expectation-setting and costs of hosting. A key contribution of this study and the lessons learned is the advice available to organizations considering hosting giving circles.

# INTRODUCTION

Community foundations and other philanthropic intermediaries across the U.S. are increasingly promoting and adopting giving circles and other forms of collective giving (hereafter referred to as GCs) to engage a more diverse range of donors, to expand and deepen their relationships with their community, and to build a culture of philanthropy. In this research, we use the term giving circles to refer both to giving circles and other similar models of collaborative giving that entail groups of individuals who collectively donate money and sometimes unpaid time to support organizations or projects of mutual interest.

Importantly, GC members have a say in how funding is given and which organizations or projects are supported. GCs also provide a structure through which members may conduct collective research on potential funding beneficiaries and learn about grantmaking and community issues. They typically include a meaningful degree of social interaction and learning (Eikenberry & Bearman, 2009). Because individual donation requirements vary depending on the group—many of which are quite modest—GCs provide avenues for people without substantial means to participate in significant giving. Often started by donors themselves and commonly reliant on volunteer leadership and outreach, GCs are widely understood to be highly flexible, engaging vehicles for participatory giving, particularly appealing to women. These low barriers to participation have led GCs to often be described as a strategy for democratizing philanthropy.

GCs have tripled in number since 2007, becoming an increasingly popular way for donors from a diverse array of backgrounds to support charitable organizations or projects of mutual interest. Our recent research on the state of GCs in the U.S. found that they have engaged at least 150,000 people in all 50 states and given as much as \$1.29 billion since their inception (Collective Giving Research Group, 2017). A majority of these GCs are created around a particular identity including gender, race, age, and religion. Recent research suggests that GCs have become more inclusive of income levels as the average and most frequent amount given by individual donors has been decreasing, while total dollars donated by GCs are increasing.

Current and past research on GCs in the U.S. has shown that members give more, give more strategically, and are more civically engaged than donors not in GCs (Eikenberry & Bearman, 2009; Collective Giving Research Group, 2018), and this is influenced by the size of the group and length and level of engagement. The Collective Giving Research Group (CGRG)'s recent study on the impact of GC participation also showed that members were significantly more likely than control group respondents to give to organizations that support women and ethnic and minority groups. In addition, as length of time in a GC increased, respondents were significantly more likely to report giving to organizations that support these groups. These aspects of GCs make them attractive for promoting philanthropy among community foundations and other host organizations.

This incredible growth and examples of high-profile success have continued to spur interest among community foundations and other philanthropic intermediaries in hosting or supporting the launch of new GCs. However, persistent questions about what it takes to successfully host a GC have hampered the spread of this phenomenon. A lack of recent systematic research into this subject has left the field without insight into the range of contemporary experiences with hosting GCs or any promising practices beyond those drawn from anecdotal individual involvement. It is often said among GC hosts that running or supporting a GC requires considerable staff time as well as careful management of donor expectations, but the field lacks quantifiable information about how much time and management is required. Similarly, it is regularly acknowledged that the payoffs in terms of increased giving to the community or to the host organization can be long in coming and are far from guaranteed, but we know less about what helps ensure positive outcomes of this hosting effort. The present study gathers the experiences of GC hosts across the country to increase our understanding of what it takes for philanthropic organizations to catalyze, support, and grow GCs, the benefits and challenges that emerge, and the ultimate impact of this relationship as a way to strengthen community and public foundations and increase our collective giving to the causes and communities we care about.

# METHODOLOGY

The findings in this report are derived from survey data collected from 86 community and public foundations. Responses came from organizations in 33 states and were collected over two months from July 14, 2017 through September 13, 2017. The survey instrument is available upon request. The survey was shared with all host organizations identified in our 2017 GC landscape research (Collective Giving Research Group, 2017) and with all community foundations and other philanthropic intermediaries in the U.S. that our team could identify from sources including the Council on Foundations, Foundation Center, Women’s Funding Network, Funders for LGBTQ Issues, Change Philanthropy, United Way Worldwide, and Jewish Federations of North America, plus extensive online research.

Our survey respondents represented the full breadth of the diversity of community and public foundations in terms of range of assets, grantmaking, donor advised funds (DAFs), and staff size, as shown in Table 1 below.

**Table 1: Summary Statistics of Surveyed Organizations<sup>1</sup>**

	Total	Minimum	Maximum	Average	Median
<b>Assets (\$)</b>	\$12.2 bn	\$700 k	\$2.0 bn	\$148 mn	\$23 mn
<b>Annual Grantmaking (\$)</b>	\$1.28 bn	\$200 k	\$212 mn	\$17.2 mn	\$2 mn
<b>Donor Advised Funds (DAFs) (#)</b>	17,000	0	> 200	207	64
<b>Full Time Equivalent Staff</b>	1,000	0	> 100	12	6

Of those community and public foundations surveyed, 66 percent of respondents—57 organizations—currently host one or more GC groups. To put this in context, our 2017 study of the GC landscape showed that 42 percent of GCs are hosted or have a relationship with a hosting organization (of the more than 1,500 GCs identified). In the landscape survey of 358 GCs, about half of the respondents reported being hosted by a fiscal sponsor or institutional host (n=176). Consistent with past research on GCs and their hosts, more than half the GCs in this landscape survey with a fiscal sponsor or host were hosted by a community foundation (n=97). Others were hosted by education/youth-serving organizations (n=20), women’s funds or foundations (n=15), or other nonprofits (n=9). Remaining hosts included financial services companies, grantmaking public charities, and religious institutions.

<sup>1</sup> One respondent was excluded from these summary numbers as they reported the assets, grantmaking, and FTE of their GC rather than the host organization.

The 57 current community and public foundations represented in this study support anywhere from one to more than ten giving circles. In our sample, we found that 35 percent host only one GC, 28 percent host two, 20 percent host three, and 17 percent host four or more. The host organizations in our sample reported that they engage 9,143 donors in GCs, or roughly 6 percent of all estimated donors participating in GCs today. All data in tables and figures in this report are based on this sample of 57 circle hosts.

To gain a deeper understanding of hosting relationships, we also conducted in-depth interviews with nine GC host organizations, including five community foundations of various sizes from across the country, and four public foundations (including those focused on women, social justice, Jewish, and LGBTQ donors). The interview protocol is available upon request; detailed profiles of nine hosting relationships can be found at the end of this report.

**Table 2: GC Host Organizations Interviewed**

Name	Type	Location	Assets (millions)	Annual Grantmaking (millions)
Chicago Community Trust	Community	Midwest	\$2,538	\$229
Denver Foundation	Community	Rocky Mountains	\$730	\$51
Horizons Foundation	Public	West	\$27	\$3
Liberty Hill Foundation	Public	West	\$17	\$5
Midland Area Community Foundation	Community	Midwest	\$92	\$4
Omaha Community Foundation	Community	Midwest	\$1,043	\$125
Rochester Area Community Foundation	Community	Northeast	\$444	\$30
San Francisco Jewish Community Federation and Endowment Fund	Public	West	\$960	\$81
Triangle Community Foundation	Community	South	\$209	\$21



# FINDINGS

## Why do foundations host GCs?

Relationships between hosts and GCs vary widely. They look different from host to host and across GCs even within a given host organization, in part because each GC tends to come to the host in a different way and with different needs. GCs and hosting organizations generally come together in one of three ways, each of which comes with its own implications for communications and management.

1. An existing GC group—either during its formation or after it has been operating—affiliates with a host in order to gain 501(c)(3) status and other services.
2. A host organization initiates an ongoing or time-limited GC to reach a particular set of donors or fill a particular need.
3. A host organization works in collaboration with a donor or set of donors to establish a GC that addresses shared priorities.

Regardless of how the relationship is initiated, host organizations decide to start or support GCs for specific reasons. The most consistent motivation—selected by more than 90 percent of surveyed hosts—was to **contribute to a culture of philanthropy** in the community: “One of our priorities is bringing people together around giving, so we view the staff time as being in service to our mission,” explained Stacey Goodman of the Omaha Community Foundation. Reaching new donors (81 percent) and a more diverse set of donors (74 percent) were also top-cited reasons to host a GC, followed by increasing community visibility for the foundation (70 percent). As we will discuss later in greater depth, the benefits realized by hosts align reasonably well, though not precisely, with their motivations for hosting. Figure 4 compares host organizations’ motivations for hosting with the benefits that hosts identified as results of the relationship.

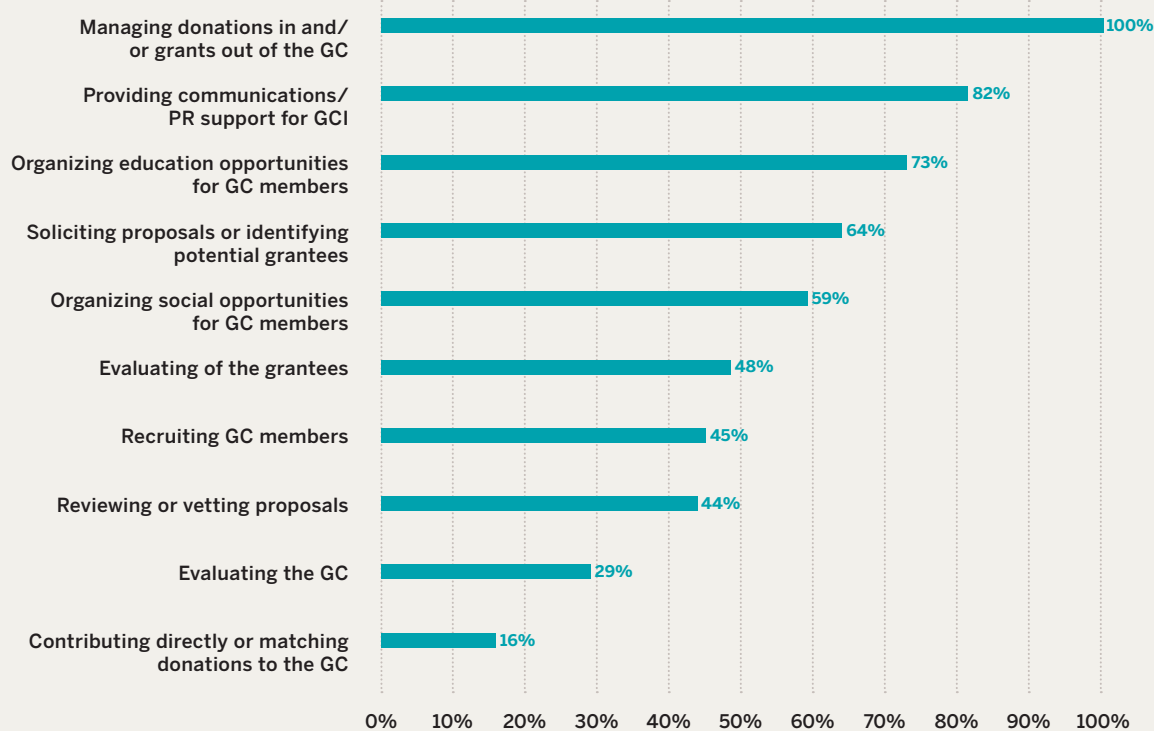
## What defines the GC/host relationship?

Four key decision points shape the contours of the GC/host relationship: type and level of services provided, fee structure, staffing structure, and the integration with the host. However, survey data, our experience with GCs across the country, and our in-depth interviews all point to the reality that hosting relationships often emerge organically and without methodical or strategic forethought as to their design.

## Type and level of services

The most fundamental service provided by GC hosts is acting as a fiscal sponsor, providing 501(c)(3) status to GCs so the funds donated by members and raised through GC events are tax deductible. In our survey sample, 100 percent of hosting organizations managed both the intake of donations and the cutting of grant checks to nonprofit organizations selected for funding for all of their hosted GCs. As Figure 1 shows, hosts also almost always provide some level of communication and public relations activities to promote GCs, although the extent of support varies considerably from host to host and from GC to GC. Other services, including supporting educational opportunities, helping GCs find grantees by soliciting proposals or providing a docket of prospective grantees, providing social gatherings, recruiting new GC members, and helping GCs assess grantees were offered in more than 50 percent of the host/GC relationships. Direct involvement in decision-making by vetting proposals, evaluating the GC itself, and contributing to the GC's funds were less commonly cited services.

**Figure 1: GC Services Provided by Host Organizations**



Additional services referenced in open-ended comments and interviews included online services (web hosting, online grant application, donation page), staff volunteers, event planning, legacy planning services for GC members, regulation oversight, and strategic planning for the GC itself.

Organizations that host multiple GCs often offer a different package of services for each individual GC, and services may evolve over time for a specific GC, as well. Interviews with hosts confirmed our impression that most hosts don't have a codified menu of clearly defined services to offer a GC as the relationship is forming, but instead take a more emergent approach. The hosts interviewed had very different relationships with each GC, ranging from only offering financial services (donations in/grants out) all the way to preparing dockets of prospective grantees for GC consideration.

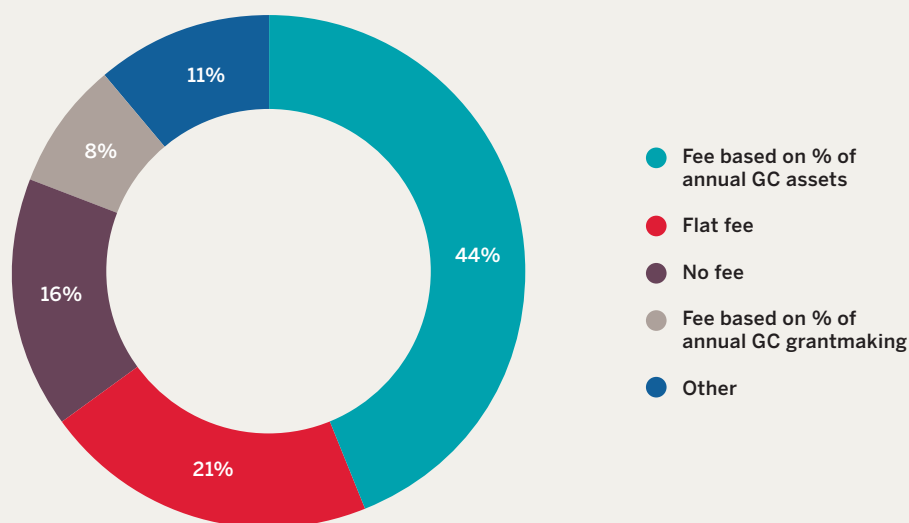
Across our interviews, hosts stressed the importance of establishing clarity about the services to be offered, whether through regular conversations or through a formal written Memorandum of Understanding. They also noted that these services are likely to change over time, especially as founders or strong leaders transition out of GC leadership, if/when the number of members changes, or if the GC shifts from an informal to a formal grantmaking process. While throughout the survey and interviews, comments about the amount of time required to effectively support a GC were consistently voiced, we also heard clearly that establishing strong boundaries on that time is critical. Additionally, as a leader from the Chicago Community Trust noted, "We also have to make sure that the giving circle members know that the community foundation appreciates them, regardless of how much work the giving circle may require from our staff. We have to remember how much at the core we appreciate their energy as volunteers."

## Fee Structure

Survey respondents and interviewees agreed that hosting GCs is often a labor-intensive proposition with significant cost implications, generally not fully covered by fees—but most did not have good data to calculate the true cost of supporting their GCs.

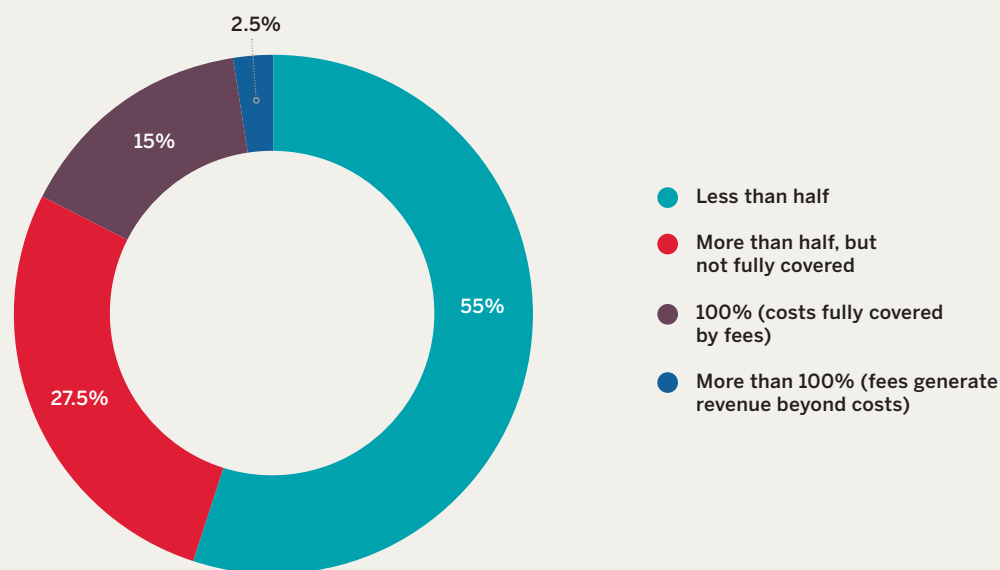
There were various approaches to structuring a fee-for-service relationship. Hosts structure their fees most commonly as a percentage of annual GC assets—similar to how Donor Advised Fund (DAF) fees are assessed—and sometimes as a flat fee. Less commonly, hosts charge no fee at all, or charge a fee based on the GC’s annual grantmaking. For example, the Chicago Community Trust shared that they charge no fee to their GCs and instead underwrite their costs from the Trust’s operating budget as part of their commitment to reach marginalized communities across the city. Several hosts also noted that they receive designated grants or donations specifically to cover GC expenses, either from GC members or outside funders. For example, the W.K. Kellogg Foundation’s investments through its Catalyzing Community Giving program included a grant to one of our interviewees, the Denver Foundation, for its EPICC (Elevating Philanthropy in Communities of Color) circles that engage communities of color.

**Figure 2: GC/Host Organization Fee Structure**



Although few hosts could identify the exact cost of running a GC, the vast majority felt certain that fees did not fully cover the costs associated with hosting a GC. According to 55 percent of respondents, less than half of expenses were covered by fees. Another 27.5 percent told us that they were able to cover more than half, but less than full costs. The gap in cost coverage is filled either by general operating funds from the host (62 percent) or by donations, sponsorships or grants from either GC members or external supporters (38 percent).

**Figure 3: Percent of GC Costs Covered by Fees**



### Staffing Structure

Host organizations staff their GCs in a variety of ways, including designating staff for the GCs, staffing the GCs as part of donor services, or developing a matrix structure that assigns liaisons from across the organization to support GCs. While survey data did not provide enough detail to identify any patterns for staffing, our in-depth interviews gave examples of various approaches. At the Rochester Area Community Foundation, for example, liaisons to the five GCs come from across departments at the foundation, allowing staff to engage in program and donor services beyond their day jobs, according to Joseph Barcia, the foundation's Philanthropic Planning Administrator. Liaisons and GC leadership meet periodically to make sure they are sharing accurate information and conveying the same expectations. In contrast, the Denver Foundation coordinates all GCs out of its donor services team and draws on other foundation staff as needed. At the Triangle Community Foundation, one staff person serves as the primary coordinator for the GC program.

Interviews and general field observations indicate that staffing structure has less to do with host size or number of GCs hosted and more with the strategic reasons for hosting, origin of the GCs and pre-existing relationships between GC donor leaders and host staff members.

### **Integration with the host**

As with the staffing structure, interviews suggested a continuum of integration into the host organization's core activities and approach to donor engagement, from peripheral to integrated to active strategy.

**Peripheral:** Several interviewees shared that while working with the GCs was one of the favorite parts of their job, the GCs remained peripheral activities within the foundation's overall strategic priorities. In these cases, the host organization may have taken on GCs as special projects or to support or accommodate existing donors or community members. These funders strive to minimize staffing burden and may not make a concerted effort to communicate directly with GC membership or engage GC donors further in foundation activities.

**Integrated:** In circumstances where GCs are better integrated into the host organization, staffing structures and arrangements are more formal and robust. The host organization may have an explicit set of expectations around member recruitment and communication. In addition, these hosts see GCs as a deliberate mechanism for engaging existing donors and attracting new—and new types of—donors to their orbits.

**Active:** Some hosting organizations, like the Denver Foundation, discussed actively building out a GC strategy as a top priority to diversify their donor base and expand the reach of the foundation across the city. As a result, they are deeply engaged with their GCs and their members, tracking their engagement and the grantmaking and development results of this investment of time, and seeing significant returns in terms of both new monies raised and extended reach of the foundation's grantmaking.

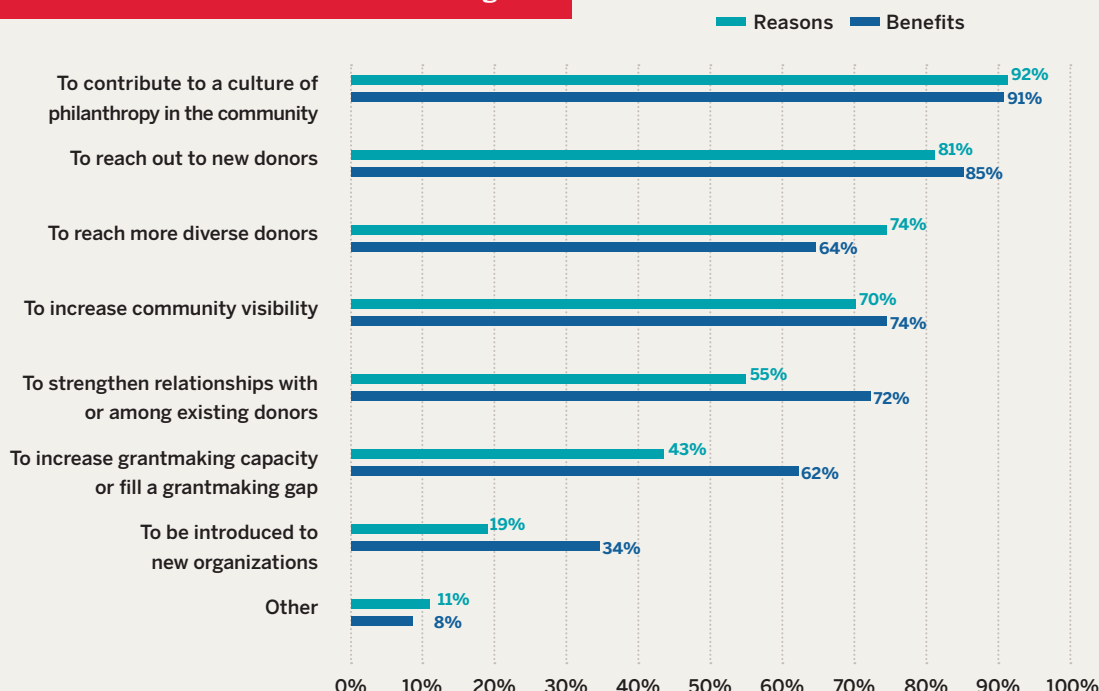
Overall, as with developing clarity on the services offered, hosts advised that being intentional about the level of integration that GCs will have with other programming was critical to ensuring that the work with GCs was seen as successful—matching expectations with internal operations.

## Impact of hosting on host organizations

Regardless of the extent of integration, our research found that supporting GCs has a distinct impact on host organizations. The perceived benefits of hosting align well with host organizations' motivations for hosting, suggesting that the hosts in our survey sample had realistic expectations for what the GCs would bring to their organizations.

### Benefits

**Figure 4: Reasons for and Benefits of Hosting GCs**



### ***Contribute to a culture of philanthropy***

Building a philanthropic culture in geographic or identity communities is often an explicit aim of host organizations such as community foundations, Jewish Federations, or other public philanthropic organizations. Supporting GCs was seen as a way to reflect and further this goal by more than 90 percent of survey respondents. In our interviews, this was frequently referred to as one of the reasons boards continued to approve staff time investment in GCs. Several community foundations noted that they regularly talked about their work with GCs when explaining their broader philanthropic leadership in the community.

### ***Donor cultivation***

The hosts in our sample engaged nearly 9,143 donors in GCs in 2017. When it comes to deepening engagement with current donors or engaging a prospective donor in the work of the community foundation, GCs can be an extremely powerful tool. A GC may be formed in response to the passion of an existing donor or group of donors—or may bring more peripheral or new donors more deeply into the orbit of the hosting organization. Hosts also reported that GCs were a powerful way to strengthen relationships with and among existing donors, seeing benefits in this area far beyond what they expected or sought when they began hosting GCs.

Many GCs are deliberately social and fun, providing a number of opportunities for donors to get to know each other and work together. The host has the opportunity to greatly increase contact with these donors and to help them more thoroughly understand the mission and work of the foundation itself. “There’s no question that participating in the giving circle deepens the relationship [with the donor] and makes it easier when we go back to them with a major ask,” said Roger Doughty, Executive Director of Horizons Foundation. However, another interviewee (who asked for this comment to be anonymous) noted that the investment of time must be aligned with expectations for deeper relationships, advising colleagues, “If you only process checks, you can’t expect the giving circle donors to come to love you. We made that mistake early on with [our giving circle] and now make sure to show up and engage so we can really build relationships.”

### ***Donations to the host***

Although most GC hosts are under no illusion that GCs will be a quick and easy way to realize sizable gifts to their own pooled funds or endowments, donors engaged in GCs may make unrestricted gifts and establish separate donor advised funds (DAFs). Most GC hosts do not closely track the additional funds that result from GC engagement. Survey respondents claimed an average of three DAFs (with responses ranging from zero to 30) created by GC members, above and beyond their giving to the GC. However, many indicated that they simply did not know if current or past GC members had opened a DAF. Similarly, survey respondents estimated that an average of \$130,000 (ranging from \$1,000 - \$700,000) had been given to the host’s funds by GC members, above and beyond their donations to the GC. However, many respondents were challenged to answer this question and indicated that they did not have this information. Almost all our interviewees noted they were looking to improve this tracking in the future and that doing so was critical to making the internal case for ongoing hosting. According to Sharon Mortensen from the Midland Area Community



Foundation, they have seen many direct benefits from donors engaged with GCs: “We have had some new funds established and new gifts besides the giving circle gift when donors learned about the foundation hosting their giving circle participation. Additionally, one donor who co-founded a circle with us has since joined our board, we have recruited volunteers to our scholarship committees, and one giving circle member joined our grants committee. They have been a great tool for engagement.”

### ***Reaching new and diverse donors***

GCs are often a vehicle for “everyday givers” to become engaged in philanthropy and to make significant gifts by leveraging relatively small donations. Almost all hosts surveyed (85 percent) found that they were able to reach new donors as a benefit of hosting a GC. Reaching prospective donors from communities that were previously less connected with the host—often identified as younger donors, donors of color, LGBTQ donors, and women—was a motivation cited by 74 percent of hosts surveyed, but was seen as a recognized benefit by fewer (64 percent). This suggests that while reaching diverse donors was a positive result of hosting GCs, hosts may also have met with challenges or mixed results in expanding their donor base to include more diverse donors.

“Hosting giving circles has allowed us to broaden our footprint in terms of grantmaking and donors,” said Sarah Vaill of Liberty Hill Foundation. “Our foundation’s grantmaking is laser-focused on efforts that are led by people of color and that are changing systems and explicitly building social justice. Hosting circles means that we can bring donors in who might have other aligned interests. We found that giving circles were a great introduction to social justice giving. People who join giving circles have been open to engaging more with Liberty Hill’s work as a result of that engagement.”

### ***Increasing community visibility***

Increasing the visibility of the host organization was a major motivation for 70 percent of hosts, and in fact, slightly more (74 percent) selected it as a benefit that hosting brought to them. As the Chicago Community Trust shared, “Giving Circles are a community engagement effort for us, a way of reaching communities that were not being reached by our competitive grantmaking. They offer us a chance to connect with marginalized communities where circle grants go to smaller, grassroots groups that are not eligible for general Chicago Community Trust grants.”

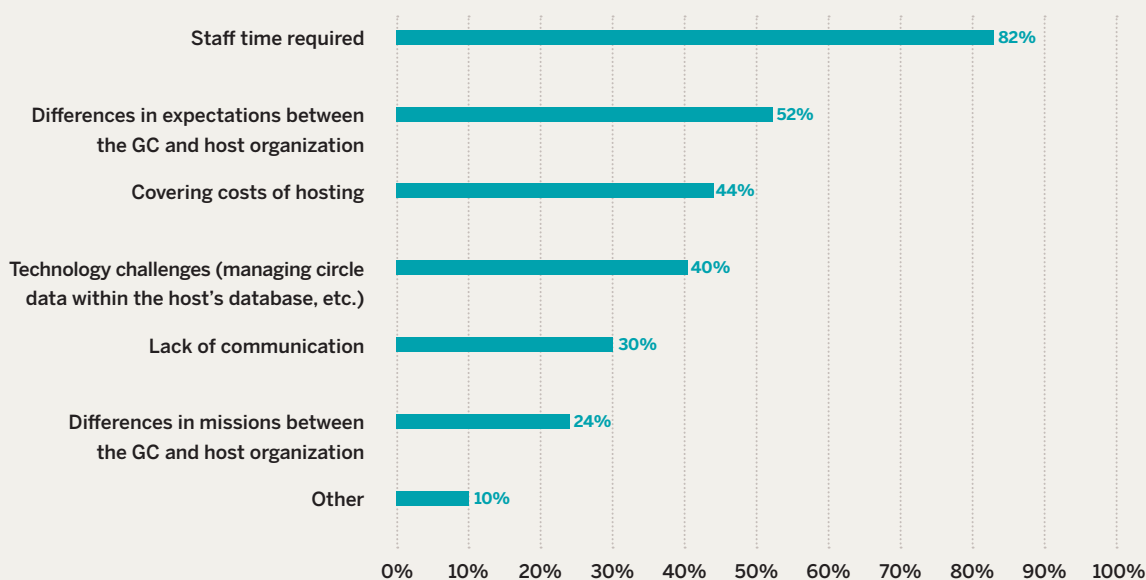
### ***Increasing grantmaking capacity, filling grantmaking gaps***

Although this was only listed as a motivation by 43 percent of surveyed hosts, many more—62 percent—said it was a benefit resulting from the relationship. Similarly, hosts were more likely to identify getting to know new organizations through their GCs as a benefit than they were to claim that this reason compelled them to start hosting. Interviews shed additional light on this aspect of the GC/host relationship. For the Liberty Hill Foundation in Los Angeles, GCs often propose groups for funding that aren't yet on the foundation's radar: "Our giving circles really have their noses to the ground in terms of grassroots, emerging organizations. For some of these groups, it's the very first grant they've ever received. The giving circle grant gives them credibility as well as resources to move up the ladder in terms of seeking support from institutional funders," said Sarah Vaill.

### **Challenges**

For all the real benefits of hosting GCs, the relationships can be complex. Our research explored some of the most common challenges that host organizations experience, which echo past research findings about GC hosting.

**Figure 5: Challenges of Hosting GCs**



***Staff time required***

A majority of hosts (82 percent) reported staff time as the biggest challenge they experienced in their GC relationships. Because the business model—including understanding costs, delineating services, and developing a solid plan for covering costs—was often nascent or informal, host organizations have found themselves unprepared to meet the level of staffing that the GCs require. When the GCs undergo transitions in volunteer leadership or encounter other issues, the staffing demands can increase unexpectedly.

***Clear expectations***

Except in cases where a host organization has a Memorandum of Understanding, or a similar formal document that lays out expectations, there can be discrepancies in what the GC leadership expects from the host and what the host wants to offer. Expectations around communication and donor engagement and solicitation are especially important to clarify, since otherwise host organizations may not have consistent access to the GC donors.

***Covering hosting costs***

As noted earlier, hosting costs are not currently well understood, but most host organizations were confident they were not covering those costs through fees. For some, this is felt to be an acceptable contribution to community philanthropy, but about 44 percent of hosts responding to our survey identified it as a challenge.

***Technical and logistical challenges***

Although less frequently cited, issues related to technology and database management can add to the difficulty of hosting GCs. Because GCs have multiple and changing members and stakeholders—unlike a standard DAF—host organizations' regular systems may not be a perfect fit for managing communication, engagement, and donation tracking. Complicating matters, GCs that form before coming to the host may have their own systems and databases that need to be integrated or absorbed into the host's way of operating.

***Lack of communication***

There are a wide range of communication challenges which our interviewees stated must be addressed with care. It is important to get clarity on who will manage communications between the GC and the grantees, and how the community foundation or other host will communicate with members of the GC. Additionally, some interviewees specified that ensuring cultural competence when communicating with donors or communities not typically served by the host can be a particular challenge—but also an opportunity for the host to learn from their GC members.

***Mission alignment***

Finally, some hosts pointed out that differences in mission alignment can be a challenge. GCs by their nature are about donor engagement and empowerment. When donors are empowered, they may focus on different issues or priorities than those selected by staff or the board (such as focusing on service vs. advocacy, or prioritizing particular geographies). Deciding up front how much alignment is required and what the limits are is critical to avoiding confusion, anger or even a separation at a later date.

## Promising Practices and Advice

Surveyed and interviewed host organizations shared specific advice for other organizations considering hosting GCs. While more detail can be found in the specific Profiles of Hosting Relationships at the end of this report, this advice can be distilled into a set of six specific recommended best practices:

1. **Clarify expectations and goals internally.** Why are you hosting GCs? Check for shared understanding of purpose across your organization. Think carefully about what it will really take to start and maintain the GC.
2. **Know the costs of the services and staffing you provide.** Even if you decide your organization will underwrite the expense using general funds, it's important to get your arms around the costs of hosting.
3. **Put it in writing.** Use an MOU or Letter of Agreement to codify the services you will offer, the responsibilities of the GC, and expectations on both sides. Formalize the structure so you don't end up with too many custom services. At the same time, every GC is unique and requires something different. Evaluate and revise your agreements annually.
4. **Allocate adequate staff and other resources.** Whether your staffing model is within donor services, within programs, or deliberately cross-organizational, having a deliberate staffing model ensures that GCs build a trusting relationship with at least one staff person. Be realistic about the amount of effort hosting a GC will take. Finally, be sure to consider timing if you host multiple GCs so you don't end up with all the grantmaking cycles happening at the same time.
5. **Empower and support GC leadership.** The more motivated and empowered GC leadership is, the more vibrant the GC will be. Experienced GC hosts suggest that you give the chairs the freedom to run the show and be active and passionate partners. Be flexible and open to ways that the GC can engage and motivate its members, which may be very different than how the foundation engages and motivates its donors.
6. **Establish communication and engagement expectations.** Be clear about how hosts can/will solicit GC members for foundation (host) support or invite GC members to open new donor advised funds. Set a clear expectation of the support you can provide and the related costs.

## CONCLUSIONS AND OPPORTUNITIES FOR FURTHER INQUIRY

Giving circles and collective giving groups hold enormous potential for broad outreach, flexible and authentic engagement of donors, and a more democratic approach to building a culture of philanthropy. It's no surprise that they appeal to community foundations and other public funders. GC hosts are motivated by this potential, and in many respects, this study indicates that they see this potential realized. In particular, hosts reported that GCs did indeed help to build a *culture of philanthropy* in their region, to reach new and more diverse prospective donors, and to increase their visibility in the community. Notably, hosting GCs also allowed hosts to strengthen relationships with existing donors—much more than they even hoped.

The challenges that exist around hosting GCs are largely those of expectation-setting and being clear-eyed about costs and results. Because hosts often do not know precisely what these funds cost to support, nor what additional donor engagement and giving might result in the long term, it is difficult to assess whether the costs are “worth it.” Increasing clarity about the services provided for each GC and the costs of those services will help hosts build more sustainable business models or make wiser decisions about subsidizing GC operations. Messaging to GC leaders that agreements may need to change as both sides learn what is needed in this hosting relationship will also help improve performance and sustainability over time without stressing relationships.

Conducting an inquiry like this inevitably leads to more questions. While we gathered significant insight into the dynamics, benefits, and challenges of hosting GCs, we also recommend ongoing exploration into these issues. Specifically, four questions emerged for future study:

1. **How does GC size affect hosting?** What structures or approaches work best for large or small GCs, both in terms of number of donors and amount of money given per year? What are the transition points where hosting relationships need to become more formal because of size pressures? What volume of grantmaking or size of membership starts to call for paid staff support vs. only volunteer leadership?

2. **How do differences in host intentions impact the GC host relationship and results?** Do hosts that deliberately develop and run GCs to generate greater donor reach actually see higher rates of new donor engagement and giving? What cultural competencies or leadership diversity is needed on behalf of hosts that seek to engage GCs to diversify their donor base? How can or should hosts best communicate their intentions to the GCs they work with?
3. **Are the dynamics of hosting high-dollar GCs different than other GCs?** Most GCs average gifts of less than \$1,000 per member, but minimum gift requirements for some GCs range as high as \$10,000-25,000 or more. Are GCs with these higher minimums more aligned to host fundraising and donor stewardship goals and practices? What are the differences for hosts with GCs operating at different minimum financial contribution levels?
4. **What role should technology play in GC hosting?** What technology solutions can hosts use to facilitate their GCs? Some run their GCs through the same grant portal as general grants while others keep GC processes discrete. Which works best?

By all indications, giving circles and collective giving are growing in appeal and the majority of giving circles work with a host organization to make their work possible. Establishing a thoughtfully planned and clearly communicated hosting relationship is a critical ingredient to the success of GCs and we hope that the data and insights gathered through this research will help continue strengthening this growing movement of collaborative giving across the country.

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# PROFILES OF HOSTING RELATIONSHIPS

For each interviewed host, we have created a short profile to provide further context and nuance to understand the dynamics of hosting in specific situations. These profiles summarize and highlight select insights from each long-form interview.

## Chicago Community Trust

### Host Organization Overview

The Chicago Community Trust's mission is to lead and inspire philanthropic efforts that measurably improve the quality of life and the prosperity of their region. Founded in 1915, the Trust works to inspire philanthropy, engage residents and lead change on the biggest issues facing the Chicagoland region.

### Giving Circles Hosted

- **Asian Giving Circle:** Three donors came together in 2004 to support organizations serving the Asian community in Chicago, particularly focused on housing and mental health. The circle now has approximately 88 members meeting quarterly to move a total of \$20,000 - \$50,000 per year to four to six grantees. Early on they connected to AAPIP (Asian Americans/Pacific Islanders in Philanthropy) which has helped incubate the giving circle and connect its work to a larger network.
- **Nuestro Futuro Fund (a.k.a. Latino Giving Circle):** Founded in 2004 by Latino professionals, the LGC was established to fund organizations and programs that supported Latino communities in Chicago. Over time, the LGC experienced some significant changes in leadership and, because of declining member participation, merged with the Latino Heritage Endowment Fund (a.k.a. Nuestro Futuro) to maximize impact. During its years of operation, the LGC granted out \$74,000 to 19 organizations.

### Staffing, Services, and Fees

The Trust holds the following staffing and fee structure for the circles:

- **Staffing:** The Trust provides program staffing, legal, and grants management to giving circles, which are charged a quarterly fee of 60 basis points (approximately \$360 annually).
- **Communications:** The Trust uses GrantCentral for communications and information-sharing for the Asian Giving Circle. Each group is provided with a Facebook page, Twitter profile, and web presence staffed by the Trust.
- **Administrative Costs:** The Trust provides \$5,000 to support fundraising, meetings and other coordinating support. These resources are allocated through the Trust's annual budget process.



## Benefits to the Host and Community

Trust staff identified the following benefits for hosting the giving circles:

- **New Donor Base:** By hosting a giving circle, the Trust has access to potential future donors who are early in their career. These donors would otherwise not engage with the Trust and now are able to see the organization's purpose.
- **Community Engagement:** The Trust is able to engage the community through different types of grants to broader constituencies. This helps people see and feel the Trust's work in their community.

## Challenges

Trust staff identified the following challenges for hosting the giving circles:

- **Leadership:** Leadership turnover and development has been a struggle for maintaining stability of circles.
- **Donor Pipeline:** The Trust is still understanding how to build a robust donor pipeline that spans the giving circles to longer-term contributions. Despite having a few examples of success, there remain questions of how to move in a systematic way.

## Lessons Learned

Trust staff identified the following lessons learned for hosting the giving circles:

- **Regular Engagement:** Keep regularly scheduled meetings to maintain momentum and connection between members to move the work plan forward.
- **Diversify Donor Base:** Find donors at all levels and create different contribution levels so that when donors roll off, others are ready to step up.
- **Celebrate Wins:** Celebrate success of the grantees, fundraising benchmarks, or new milestones crossed. Grantmaking and fundraising can be tedious, so it's important to recognize accomplishments. Also, staff should ensure members are celebrated and appreciated, because they are volunteers and the work is exciting.
- **Structure Is Key:** Provide a clear, yet malleable structure early in the giving circle's history so participants both have boundaries and feel like they can adjust them moving forward. This will also help with managing expectations of staff.
- **Food:** Always have food—always!

# DENVER FOUNDATION

## Host Organization Overview

The mission of The Denver Foundation is to inspire people and mobilize resources to strengthen the Denver community. In 2017, the Foundation made \$66 million in grants to projects focused on basic needs, education, economic opportunity, and leadership and equity.

## Giving Circles Hosted

The Foundation hosts 15 giving circles, including:

- **Impact 100 Metro Denver:** The largest of the Foundation giving circles, comprised of more than 200 women each giving \$1,000.
- **Young Jewish Mothers Giving:** Each member contributes \$500 a year, and they collectively grant to 2-3 groups.
- **Elevating Philanthropy in Communities of Color (EPICC):** A collective of giving circles that asks for \$365 per year (\$1 a day) and a commitment of time, talent, treasure and testimony. The idea for the network came from the Community Investment Network (CIN).
- **Links Inc.:** The circle is comprised of 54 members giving small grants to regional nonprofits.

## Staffing, Services, and Fees

The Foundation provides the following staffing and fee structure for the circles:

- Each circle is set up as a DAF in which they collectively make the decisions.
- Giving circles are invited to Foundation events, given meeting space, and provided necessary research.
- Some circles use an RFP process with site visits that are guided by staff.
- Grant processing and legal compliance are completed by staff.
- Giving circles are assessed a fee of \$250/year or 1 percent of holdings (whichever is greater).
- EPICC circles' fees are covered by a grant from the W.K. Kellogg Foundation.

## Benefits to the Host and Community

Foundation staff identified the following main benefit for hosting the giving circles:

- **New Donors:** Giving circle donors have created pathways for new DAFs to be created and donors to become more engaged with the leadership of the Foundation.

## Challenges

Foundation staff identified the following challenge for hosting the giving circles:

- **Giving Circle Culture:** Donors have their unique and individual interests, which can be a challenge in building a consistent giving circle culture.

## Lessons Learned

Foundation staff identified the following lessons learned about hosting giving circles:

- **Hosting giving circles can be a strong return on investment** for bringing in new donors as long as intentional energy is spent by the foundation on donor cultivation.
- Circle members can be powerful ambassadors. Referrals from early circle members informed the creation of later circles and made the circle launch process unfold more smoothly as there were mentors available.

# HORIZONS FOUNDATION

## Host Organization Overview

Horizons Foundation is a California-based community foundation rooted in and dedicated to the lesbian, gay, bisexual, transgender, and queer (LGBTQ) community.

The foundation exists to:

- Mobilize and increase resources for the LGBTQ movement and organizations that secure the rights, meet the needs, and celebrate the lives of LGBTQ people.
- Empower individual donors and promote giving as an integral part of a healthy, compassionate community.
- Steward a permanently endowed fund through which donors can make legacy gifts to ensure our community's capacity to meet the future needs of LGBTQ people.

## Giving Circles Hosted

Over time, Horizons has created and supported several giving circles that have collectively generated more than \$500,000 for LGBTQ causes. One past GC focused on funding LGBTQ arts and films, while another was established in the name of Gwen Araujo, a young Bay Area trans woman who was brutally murdered in 2004. There are currently two active giving circles:

- **The Red Envelope Giving Circle (REGC)** focuses on improving the lives of Asian and Pacific Islander LGBTQ people and communities in the greater San Francisco Bay Area through philanthropic support. REGC is a member of the National Giving Circle Network of Asian American Pacific Islanders in Philanthropy (AAPIP). Donors who give \$250 or more become voting members of the REGC.
- **Horizons Young Professionals for Equality (HYPE)** is a community of young LGBTQ Bay Area professionals who join together to connect, develop into future LGBTQ community leaders, engage in philanthropy and giving—and have a great time doing it. Members commit to donating or raising \$25 per month (\$300 total).

## Staffing, Services, and Fees

Horizons' Vice President of Development, Deb Stallings, coordinates support to the hosted giving circles. For current GCs, staffing is primarily limited to the basics: managing donations, disbursing funds, and providing additional administrative support when needed. In addition, Horizons has provided financial support to cover the costs of giving circle events, or to enable its GCs to join professional networks or other groups.

### Fee structures vary:

- The REGC pays a fee of 5 percent on grants made.
- HYPE contributes 20 percent of each donation to Horizons as a grant—both to cover administrative expenses and to support ongoing work.

## Benefits to the Host and Community

Hosting giving circles has addressed several needs and brought specific benefits for Horizons Foundation:

- **Reaching new donors, outside the usual suspects:** Horizons' board felt strongly that engaging younger donors in LGBTQ-focused philanthropy was an essential aim. The HYPE Giving Circle, in particular, has been successful in bringing younger donors into Horizons' orbit and allowing increased outreach and exchange. Similarly, the Red Envelope Giving Circle extended Horizons' relationships in the Asian American/Pacific Islander community.
- **Strengthening relationships with existing donors:** Like other host organizations, Horizons has found that participation in a GC connects donors more tightly with Horizons: "There's no question that participating in the giving circle deepens the relationship we have with those donors," said Roger Doughty, Horizons' Executive Director.
- **Giving Circles bring new organizations and projects to Horizon's awareness:** Through GCs, the foundation is able to reach further into the LGBTQ community to fund under-the-radar organizations: "Our giving circles help us get funds to organizations and projects that Horizons Foundation would otherwise not be able to fund, or in some cases, even know about," said Doughty.

## Challenges

Foundation staff identified the following challenge for hosting the giving circles:

- **Potential for “scope creep”:** The needs of a GC may vary year to year, or may fluctuate depending on members’ ambitions and interests. The host organization can find itself doing more than expected for the GC, without a commensurate change to the hosting fee.

## Lessons Learned

Foundation staff identified the following lessons learned about hosting giving circles:

- **Be sure that you have strong GC champions** who are ready to do the legwork.
- **Ongoing communication is essential.** Because most donors in a GC may not connect directly with the host organization, it’s important to keep the lines of communication open and watch out for misunderstandings and misconceptions. In addition, the host organization will benefit from building relationships with GC donors directly and making sure that they understand the mission and goals of their organization.
- **Head off the burden on grantees.** Sometimes the very things that make for great donor engagement, such as site visits and detailed proposals, are unduly burdensome for grantees. Hosts should remember that GC members may not be knowledgeable about philanthropy and the nonprofit sector, and should make sure to convey important principles and best practices.

# LIBERTY HILL FOUNDATION

## Host Organization Overview

Liberty Hill Foundation is a national leader in social justice philanthropy, based in Los Angeles and focused on the LA region. Since 1976, Liberty Hill has powered organizing and advocacy to change national policies, launch social change movements, transform neighborhoods, and nurture community leaders.

## Giving Circles Hosted

Liberty Hill has hosted giving circles since 2000, and currently supports eight active giving circles, including Pobladores Fund, Environmental Justice Giving Circle, Susan's Circle, Angelenos for L.A. Fund, Building Leaders and Cultivating Change (BLACC) Fund, Los Angeles Giving Circle, the OUT Fund and The XX Fund. The circles vary greatly, from large GCs that pool small donations of under \$1,000 to more intimate GCs with higher giving thresholds. Some are open to new members, while others are private circles that do not currently accept additional members.

The GCs hosted by Liberty Hill came into existence and into relationship with the Foundation in different ways. Some were started independently and then approached Liberty Hill for hosting services. In other cases, existing Liberty Hill donors decided to start a GC and turned to the Foundation as a natural fit for hosting. Only one, the Environmental Justice GC, was deliberately launched by Liberty Hill, in cooperation with two active donors.

## Staffing, Services, and Fees

A two-person staffing team manages Liberty Hill's donor advised funds (DAFs) and GCs and divides the duties related to supporting them. In addition to serving as relationship managers, these staff generate dockets for some of the GCs, handle correspondence with members, and support events. To begin standardizing services, the Liberty Hill team has developed a menu of services and a Memorandum of Understanding (MOU) that details the agreement between the GC and the Foundation. The MOU specifies that Liberty Hill can provide GC funding recommendations and can reach out to the GC donors to inform them about Liberty Hill Foundation events and information.

To offset the costs of hosting GCs, Liberty Hill recently established a fee structure, charging 7.5-10 percent of each gift, depending on the GC's negotiated level of service. Most are at 7.5 percent, while a few of the longer-running GCs that do not receive intensive support were "grandfathered" in with a 5 percent fee.

## Benefits to the Host and Community

Liberty Hill staff cited the following benefits of hosting GCs:

- **Greater reach to donors and supporters** and opportunity to bring new donors into Liberty Hill's orbit. "People hear about us more than once over time, and stay connected," said Sarah Vaill, Director of Philanthropy.
- **Learning about grassroots groups** that were not yet on LH's radar: "Our Giving Circles have their noses to the ground in terms of grassroots, emerging organizations that might never have received a grant before. We have a long, proud tradition of seeding this work and the GCs are important partners," said Vaill.
- **Opportunity to fund in the broader ecosystem** of social justice, as well as direct additional funding to Liberty Hill grantees.
- **Additional giving to Liberty Hill:** Although they are not formally tracking the relationship between giving circle participation and other donations yet, Liberty Hill staff noted that in 2017, many people who were members of GCs were also major donors and several became major donors providing additional support to Liberty Hill Foundation through attending events and other donations.

## Challenges

Foundation staff identified the following challenges for hosting the giving circles:

- **Timing:** While Liberty Hill assesses its fee when donations come in, the GCs may not always begin grantmaking quickly, which increases the staff time required.
- **Branding and communications:** In social media especially, Liberty Hill Foundation must balance the attention that the GCs attract and the attention given to other Liberty Hill grantmaking.
- **Ensuring sufficient social justice focus:** As an organization, Liberty Hill has a commitment to giving a significant proportion of its funds to social justice causes. GCs are more likely to give to service-oriented organizations and charities that may not meet the defined criteria for social justice funding.
- **Structuring staffing:** Liberty Hill Foundation is still tweaking its staffing model to ensure that costs are covered by GC fees. Having a more junior staff person as the primary contact is one way to bring the costs down.



## Lessons Learned

Liberty Hill Foundation' staff shared the following advice for other hosting organizations:

- **Formalize the structure and services** you provide so you do not end up offering too many custom services. At the same time, hosts should recognize that every GC is unique and may require a slightly different set of services.
- **Give the GC chairs the freedom to “run the show”** and be active and passionate partners. Liberty Hill has found that the GCs stay successful when the chairs feel both empowered and supported.
- **Make sure that the relationship is reciprocal**, and specify the terms in the MOU. Liberty Hill has been explicit that it will be engaged with the GC, and asks for opportunities to present information about the foundation to GC membership.
- **Think about timing.** If you host more than one GC, be sure that all the giving cycles don't happen at the same time.

# MIDLAND AREA COMMUNITY FOUNDATION

## Host Organization Overview

The Midland Area Community Foundation's mission is to provide philanthropic leadership to strengthen our community by fostering collaboration, along with giving today and in the future. The Foundation was started in 1973 and grants over \$3 million annually.

## Giving Circles Hosted

The Foundation hosts the following giving circles:

- **The Big Give:** A group of men came together wanting to form a giving circle in response to the women-led group. Started in 2014, there are 158 members giving \$100 three times each year and the total grantmaking to date is \$160,000. The founding members reached out to staff to start the circle and they have since developed the pitch process using the lessons learned from the women's giving circle.
- **Young Professionals:** Started in partnership with the local chamber of commerce, members are asked to contribute \$50 and volunteer in the community. The Foundation approached the chamber for partnership around this target community.

## Staffing, Services, and Fees

The Foundation holds the following staffing and fee structure for the circles:

- Staff collects applications and provides advice to the circle on nonprofits.
- The Foundation provides support in collecting contributions including credit card donations and payroll deductions.
- Foundation staff supports giving circle events.
- The Foundation has discussed an annual fee but does not currently charge for hosting. They ask that each giving circle maintain a minimum of \$250 in its account.

## Benefits to the Host and Community

Foundation staff identified the following benefits for hosting the giving circles:

- **New donor relationships:** The giving circle provides new donor relationships for future cultivation.
- **Increased revenue:** More money is moving through the Foundation, which bolsters overall grantmaking.
- **Increased leadership:** Giving circle members are interested in serving on the board or other committees.

## Challenges

Foundation staff identified the following challenges for hosting the giving circles:

- **Lack of consistent leadership:** The young professional giving circle has gone through several leadership transitions, but Foundation staff is working to stabilize the program.
- **Dues collection:** There have been some challenges in collecting and processing dues, even if they are smaller financial commitments.

## Lessons Learned

Foundation staff identified the following lessons learned for hosting giving circles:

- Connect with a few, deeply committed members, as they will help make things happen.
- Be transparent about the host's needs to expand philanthropy.
- Vetting recipient nonprofits is a critical part of keeping members coming back and ensuring the grants are smartly made.
- The circle provides the host an opportunity to learn about and engage new nonprofit partners.

# OMAHA COMMUNITY FOUNDATION

## Host Organization Overview

Since 1982, the Omaha Community Foundation has enabled donors to generously contribute to the good of the community through its 501(c)(3) status. The Foundation has granted \$1.6 billion in its history. In the process, the Omaha Community Foundation has grown to include more than 1,200 donors, serving the needs of over 3,000 nonprofits, initiatives and funds throughout greater Omaha and southwest Iowa.

## Giving Circles Hosted

- **Omaha Venture Group:** This established giving circle focuses on engaging young professionals to make a difference in smaller, grassroots nonprofit organizations. The GC has two levels of membership: **Grantmaking members** donate \$400 and are able to attend social and educational events and celebrations, attend site visits, discuss decisions, and submit funding recommendations. **Subscribing members** contribute \$200 and are able to attend all social and educational events and celebrations, but do not vote to determine grantees.
- **OPUS:** This young professionals group was originally organized as a networking group that also focuses on service. When they decided to add a philanthropic component to their program, the group established a charitable fund affiliated with the Community Foundation to assist with their administration of charitable support from members and grantmaking activity.
- **Customized services to small groups:** The Omaha Community Foundation provides a minimal level of support for very small giving circles – some with as few as four members. Giving circles of any size of membership partner with the Community Foundation and access administrative support and community knowledge to support their grantmaking.

### **Staffing, Services, and Fees**

Each Giving Circle hosted by Omaha Community Foundation has a primary relationship manager. Staff involvement varies based upon the needs and preferences of the giving circle. Some giving circles operate with minimal staff support; in other instances, the primary relationship manager may attend meetings and events, meet with GC leadership, help to evaluate how the year went, and connect the GC with other staff members for information or resources as needed. Services provided are extremely customized, said Stacey Goodman, OCF's Iowa Foundations Director: "We try to get a sense of what they are looking to accomplish. Then we can find opportunities for overlap with our programmatic efforts and we try to make sure that we're giving them helpful information, connecting them with resources, and doing whatever we can to help them succeed."

Services provided may include:

- Helping with events, including organizing, identifying speakers, etc.
- Assembling materials for GC meetings, including creating a grant book.
- Conducting due diligence to ensure the organizations GCs select are 501(c)(3) public charities.
- Assisting GC leaders in developing a proposed budget and tracking the money in and out, the cost of activities, and the funds available.

Omaha Community Foundation does not charge a fee to provide services to its hosted GCs, and thinks of staffing as an in-kind service. "One of our priorities is bringing people together around giving, so we view that staff time in service to our mission," said Goodman. "If we found that it was becoming a hindrance, we'd need to have a broader conversation."

## Benefits to the Host and Community

Although the Omaha Community Foundation hasn't yet quantified additional engagement or additional dollars contributed by GC members, it sees the potential of having a larger pool of donors who are committed to philanthropic giving. Some of the less tangible benefits have included:

- **Opportunity to educate:** The Omaha Community Foundation has welcomed the opportunity to provide learning opportunities for people who are already philanthropically inclined.
- **Engaging givers beyond the usual suspects:** Many GC donors might not see themselves as account holders yet (or ever), but by engaging them in philanthropy, the OCF can make valuable connections.
- **Mission in action:** For the OCF, hosting GCs provides an opportunity to practice what they believe to be important: providing new and different ways for all community members to approach giving and to come together to learn about the community and its needs.

## Challenges

Foundation staff identified the following challenge for hosting the giving circles:

- **Cultivation is slow.** The Omaha Community Foundation hasn't yet seen a pipeline of new donors from the GCs.
- **GCs are labor intensive.** Staff involved have tried to work closely with the primary points of contact in the GCs to manage expectations so members get what they need and it's a fulfilling experience. This requires relationship-building and customized attention from OCF staff.

## Lessons Learned

Foundation staff identified the following lessons learned about hosting giving circles:

- **Keep in mind that start-up is staff intensive.** When GCs are just getting organized and finding focus, figuring out their organizational structure, and recruiting members, more staff time may be required. Getting the groups off on the right foot can save time later.
- **Make sure that all parties are on the same page about expectations.** OCF has not gone down the formal route of requiring an MOU, but it has started asking the volunteer leaders of GCs to outline their structure, calendar, and activities. "Asking the volunteer leaders to meet with OCF staff for organizing meetings has been a game changer," said Goodman. "It's a structure to think more concretely—not only about how members can have a positive experience, but also how grant-seekers can have a positive experience."

# ROCHESTER AREA COMMUNITY FOUNDATION

## Host Organization Overview

Since 1972, Rochester Area Community Foundation (RACF) has worked to improve the quality of life for people who live and work in the eight-county region through its leadership and strategic grantmaking. As a leading grantmaker, the Foundation focuses on two broad goals:

- Creating an equitable community: Working to close the academic achievement and opportunity gap, fostering racial and ethnic understanding and equity, and partnering against poverty to help neighbors in need.
- Strengthening the region's vitality: Supporting vibrant and diverse arts and cultural offerings, preserving our region's rich historical assets, and promoting successful aging.

## Giving Circles Hosted

Rochester Area Community Foundation hosts five active giving circles. Three of the GCs—the African American Giving Initiative, LGBT Giving Circle, and NextGen Rochester—are building endowments, in addition to giving annual grants.

- **The African American Giving Initiative (AAGI)** is focused on reversing the negative trends experienced most strongly within the African American community. The GC has a goal of building a one-million-dollar endowment that will grow and respond to the future needs and aspirations of Rochester's Black community. The AAGI has three levels of giving: **Friend** (up to \$499), **Supporter** (\$500+), and **Founder** (\$1,000+). An annual commitment at the Supporter level and above gives members a vote in the grantmaking process that directs dollars to organizations making a measurable difference. Half of all gifts to the AAGI benefits endowment and half goes to current grantmaking.
- As family and friends of individuals with intellectual or developmental disabilities (I/DD), the **Developmental Disabilities Giving Circle** is committed to supporting innovative programs that will help loved ones (21 and older) lead fulfilling, productive, and meaningful lives. The GC has four levels of giving, offering different levels of engagement: **Leadership** (\$1,000+): donors can become a member of the steering committee to help lead the decision-making for the group and participate on committees (Grantmaking or Membership & Marketing); **Basic** (\$750): members can join one of the committees and vote on grants; **Sibling** (\$250): Family members of individuals with I/DD under age 40 can join at this rate to vote on grants and serve on a committee; **Individual** (\$100): Individuals with I/DD who join are encouraged to be active on one of the committees or join the steering committee.

- The **LGBT Giving Circle** was created by a group of lesbian, gay, bisexual, and transgender individuals and allies. Through grants from its LGBT Fund for Greater Rochester, the Giving Circle hopes to bridge diversity and cultivate community. Three membership options for individuals or households are available: \$250, \$500, and \$1,000, each with an equal vote. Contributions in the form of memberships are split evenly between grantmaking for the current year and endowment for the future.
- **NextGen Rochester** is cultivating its members, typically ages 21 to 45, to be the next generation of citizens who make “giving back” part of their lives through leadership, friendship, and philanthropy. The GC has a tiered structure starting at \$100/year: **Member** (\$100 - \$249.99), **Investor** (\$250 - \$499.99), **Champion** (\$500 - \$999.99), and **Activist** (\$1,000+).
- The **Rochester Women’s Giving Circle** is a community of philanthropic women who combine their financial resources to support women and girls on their journey to economic independence. Every member contributes a minimum of \$1,000 annually, which goes directly to grants, as well as a \$50 administrative fee. The GC distributes 100 percent of their grant dollars each year. In ten years, this group of women has granted more than \$1.1 million.

### Staffing, Services, and Fees

GCs at Rochester Area Community Foundation are supported by staff liaisons from across the organization, including staff from the philanthropic engagement, finance and administration, and community programs departments. These staff liaisons build relationships with the GC leaders. In 2018, staff liaisons met together with all the GC leaders to clarify expectations about services. Two staff liaisons also collaborated to hold a grant-reading workshop for members of all five giving circles. The administrative tasks vary from GC to GC, depending on need, but include the following:

- Track pledges and process donations.
- Assist steering committees in developing an annual calendar.
- Provide space for meetings.
- Host grant receptions for each GC.
- Attend grants committee meetings to be sure they are aligned with RACF’s giving priorities/framework.
- Assist GCs in soliciting proposals and conducting due diligence if desired.
- Provide workshops, such as a grant-reading workshop, to build the capacity of GC members to make thoughtful grant decisions.



RACF charges a low fee on each of the giving circles' funds consistent with the organization's fee structure for the corresponding type of fund, but otherwise charges no fee to host giving circles. Staff costs are covered through the foundation's annual operating budget and are considered part of its stewardship role in the community.

### Benefits to the Host and Community

The organization knows that donors engaged in GCs are giving more, said Joseph Barcia, Philanthropic Planning Administrator. RACF has seen an increase in both non-endowed and endowed funds, planned gifts, and volunteer engagement among its giving circle members. Some GC donors have created charitable checking accounts and donor advised funds, and more have become planned giving donors to the foundation. For donors who were already contributors to RACF's field of interest funds or who already held funds, the GCs provide opportunity for further engagement. Other benefits have included:

- **Opportunity to demonstrate core stewardship mission:** Hosting GCs fulfills RACF's mission to promote philanthropic giving in the community.
- **Reach out to new and different donor populations:** The GCs help RACF reach younger donors, women, LGBT donors, and African American donors, as well as donors with a particular commitment to supporting people with disabilities. In many cases, these were not donors who were otherwise connected with the Community Foundation.
- **Build awareness of endowments:** Endowed funds are not well understood by some, and RACF has found that supporting GCs that are building endowments helps to spread the message about the value of these funds much more broadly. As a result, some donors are making endowment pledges over time.
- **Engage community leaders:** The GCs allow RACF to meaningfully engage community leaders and people with influence in the region.
- **Outreach to small and new organizations:** The GCs often bring organizations to RACF's attention that are eligible for a small grant but might not be aware of the Community Foundation or might be too intimidated to apply for a larger Community Foundation grant. "The giving circles can provide an 'in' for these small organizations," said Barcia.

## Challenges

Community Foundation staff identified the following challenges for hosting the giving circles:

- **Standardizing relationships** between giving circles and a host organization can be difficult, especially when the GCs come to the host at different times, in different ways, and with different needs.
- **Staffing GCs can be a challenge.** Their needs are not necessarily considered when structuring departments. Because they don't fit neatly into the basic services offered by the Community Foundation, GCs can be left without a specific department focused on their needs.

## Lessons Learned

Community Foundation staff identified the following lesson learned about hosting giving circles:

- The liaison model of staffing allows Community Foundation staff from across the foundation to connect with GC donors and grantmaking. According to Barcia, this means that regardless of department, staff can have the opportunity to connect with staff from various departments, beyond their day jobs.

# SAN FRANCISCO JEWISH COMMUNITY FEDERATION AND ENDOWMENT FUND

## Host Organization Overview

The San Francisco Jewish Community Federation and Endowment Fund's (JCF) mission is to serve as a philanthropic catalyst connecting Bay Area Jews—of all ages, backgrounds, and perspectives—to the power they have as a community to improve the world. With a legacy stretching back to 1910, the Federation serves the Bay Area Jewish community through strategic grantmaking, convening and cross-community collaborations, leadership development and capacity building.

## Giving Circles Hosted

The Federation hosts the following funds and giving circles:

- **Slingshot Fund:** A new fund in 2018 that is running a pilot season in partnership with the Federation. Further integration and strategy co-design will come after the trial period has been completed.
- **Jewish Pride Fund:** A giving circle of 10 people each contributing \$1,800 to LGBTQ-focused organizations in San Francisco, nationally, and in Israel. Organizations are identified through donor networks and through the professional that runs the Fund. Currently, there is no public RFP process. They meet 4-5 times a year to strategize, pick groups, and raise resources.
- **Women's Fund:** Launched five years ago by a single donor who organized her friends to create a fund that would make grants to benefit women and girls living in the Jewish community. Donors contribute a minimum of \$10,000 each with 27 members in 2018.

The Federation has a long history of developing funds based on donor interest and serving as a philanthropic platform for the Bay Area Jewish community. All three funds/giving circles were founded through relationships and interest among community members.

## Staffing, Services, and Fees

The Federation uses the following staffing and fee structure for each fund:

- **Slingshot:** The Federation supported the development of Slingshot's giving guide for the Bay Area and runs the associated fund with little cost. Fees and staffing are to be part of any further NextGen giving circles developed in the future.
- **Jewish Pride Fund:** Costs are modest due to few additional needs and limited number of meetings.
- **Women's Fund:** For the first three years of its existence, a few donors covered approximately half of the operational costs for the Fund, with JCF covering the balance. As of 2017, approximately one-third of the cost is covered by donor contributions (10 percent of membership fee) and JCF covers the remaining amount. This Fund has a larger budget due to meeting requirements, a public RFP, and a two-stage grant process.

## Benefits to the Host and Community

Federation staff is engaging the Fund lay leadership and Federation Executive Team in further defining and articulating the purpose of hosting these funds and the impact they are having on the community.

## Challenges

Federation staff identified the following challenge for hosting the giving circles:

- **Leadership:** Lack of strong leadership can hinder thoughtful grantmaking and impact strategies. There is a need to unwind overlapping relationships and build the leadership of fund leads. With strong leadership, more is possible; for example, the Women's Fund had a visionary chair in 2017 who is continuing her leadership through 2019. She has helped to foster a more strategic direction for the Fund and expand engagement opportunities.
- **Unlocking greater donor capacity:** There is a need for a clearer strategy of how to move donors along a pipeline from a fund to the Federation's other giving platforms. Although several Women's Fund donors decided to increase their gifts beyond the minimum of \$10,000 in 2018 to increase both the grant pool and money contributed to operations, more opportunities remain untapped.
- **Evaluation of impact:** Little to no reporting or tracking has historically occurred with giving circle grants, therefore measuring impact can be tough. The Federation worked with its circles to institute a rigorous metrics agreement last year with each grantee, which was written into their formal contract. They co-designed the best metrics ahead of time for each grantee to track, and will be assessing impact more directly with the first round of reports in January 2019.

# TRIANGLE COMMUNITY FOUNDATION

## Host Organization Overview

The Triangle Community Foundation works to inspire and mobilize giving, leadership, and action to ensure everyone thrives in a vibrant Triangle. In fiscal year 2017-18, the Foundation granted more than \$26 million to nonprofits, schools, and community efforts. Since 2013, the Foundation has granted more than \$3 million to 125 organizations in the following focus areas: Community Development, Youth Literacy, Cultural Arts, and Environmental Conservation.”

## Giving Circles Hosted

The Community Foundation hosts the following giving circles:

- **African American Giving Circles:** Four giving circles that were imported into the Foundation through a former staff member and have remained a vital part of the Foundation’s giving circle activity.
- **Beehive:** A women’s giving circle started by a local nonprofit leader for younger donors to support nonprofits in Raleigh.
- **Long Leaf:** A mixed-gender giving circle that was recently started for young professionals to support nonprofits in the Triangle. Their focus areas rotate each year between arts, education, health, and poverty.
- **The Art of Giving:** A women-only giving circle founded 10 years ago, focused on women’s and girls’ issues. They choose a sub-focus every year. They make a \$10,000 grant annually; the Art of Giving was originally built in partnership with the North Carolina Community Foundation, but has now moved to the Triangle Community Foundation.

## Staffing, Services, and Fees

The Community Foundation uses the following staffing and fee structure for the circles:

- Staffing needs vary depending on the circle. For some, staff is more active in collecting applications. For others, there is little to no staffing. Staff is now attempting to work across the circles and bring them together for cross-planning and cohesion.
- The Foundation is undergoing an analysis of costs and planning. Currently each circle is charged \$300 or 1 percent of funds held (annually), but that does not necessarily cover the costs of accounting, processing, and vetting applications.

### Benefits to the Host and Community

Community Foundation staff identified the following benefits for hosting the giving circles:

- **New and diverse donors:** Engagement with donors across race, age, wealth levels and more to both expand the donor base and inform the Foundation's overall strategy.
- **Leadership opportunity:** GC members can go on to serve on the board and committees of the Foundation.
- **Increased donor pipeline:** Members have opened DAFs and given to other elements of the Foundation's work.

### Challenges

Community Foundation staff identified the following challenges for hosting the giving circles:

- **Financial and operations model:** The Foundation has not been able to fully recover costs and has had to adjust the operational model to become more efficient.
- **Technology:** Donors have requested a stronger technological platform, but the Foundation has yet to find an accessible, affordable option relative to the size of the grants.





# Collective Giving

RESEARCH GROUP

If you have questions or comments about this report or about the work of the Collective Giving Research Group, please email [CollectiveGivingResearchGroup@gmail.com](mailto:CollectiveGivingResearchGroup@gmail.com)